

**FISCAL GROUP
SUMMARY**

GENERAL FUND	Page #	Appropriation	Departmental Revenue	Local Cost
ASSESSOR SUMMARY	218			
ASSESSOR	219	15,013,659	820,000	14,193,659
AUDITOR/CONTROLLER-RECORDER SUMMARY	229			
AUDITOR/CONTROLLER-RECORDER	231	18,105,671	5,543,522	12,562,149
TREASURER-TAX COLLECTOR/ PUBLIC ADMINISTRATOR SUMMARY	247			
TREASURER-TAX COLLECTOR				
PUBLIC ADMINISTRATOR	248	19,856,362	13,020,462	6,835,900
TOTAL GENERAL FUND		<u>52,975,692</u>	<u>19,383,984</u>	<u>33,591,708</u>
SPECIAL REVENUE FUNDS	Page #	Appropriation	Departmental Revenue	Fund Balance
ASSESSOR:				
STATE/COUNTY PROPERTY				
TAX ADMINISTRATION PROGRAM	227	2,441,446	2,255,295	186,151
AUDITOR/CONTROLLER-RECORDER:				
MICROGRAPHICS	238	-	-	-
SYSTEMS DEVELOPMENT	240	21,312,695	6,500,000	14,812,695
VITAL RECORDS	243	294,074	142,000	152,074
TREASURER-TAX COLLECTOR/ PUBLIC ADMINISTRATOR:				
REDEMPTION MAINTENANCE	252	219,159	62,679	156,480
UNIFIED PROPERTY TAX SYSTEM	254	131,786	131,786	-
TOTAL SPECIAL REVENUE FUNDS		<u>24,399,160</u>	<u>9,091,760</u>	<u>15,307,400</u>
INTERNAL SERVICES FUND	Page #	Appropriation	Departmental Revenue	Revenue Over (Under) Exp
AUDITOR/CONTROLLER-RECORDER:				
RECORDS MANAGEMENT	245	-	-	-
TOTAL INTERNAL SERVICE FUNDS		<u>-</u>	<u>-</u>	<u>-</u>



ASSESSOR Donald E. Williamson

MISSION STATEMENT

The mission of the Office of the Assessor is to perform the state mandated function to:

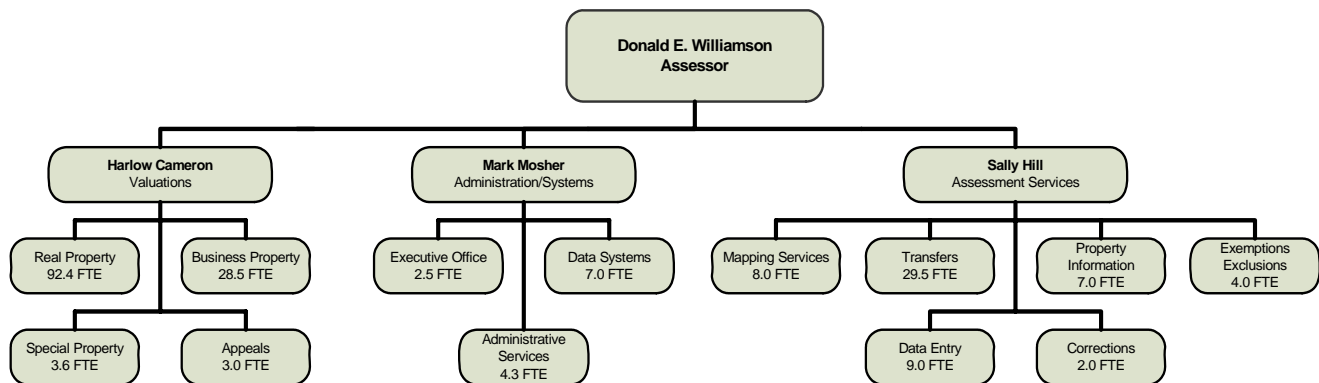
- Locate, describe, and identify ownership of all property within the county
- Establish a taxable value for all property subject to taxation
- List all taxable value on the assessment roll
- Apply all legal exemptions

Assessor business is performed for the public benefit in a manner that is fair, informative and with uniform treatment. It is necessary as a means of revenue generation in order to fund essential public services and efficiently operate county and state government.

STRATEGIC GOALS

1. Increase public service by making property information more accessible and easier to understand.
2. Enhance operational efficiency and productivity by utilizing new technology, policies and procedures.
3. Assure quality control standardization.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2006-07				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
Assessor	15,013,659	820,000	14,193,659		176.5
State/County Propert Tax Administration Program	2,441,446	2,255,295		186,151	28.3
TOTAL	17,455,105	3,075,295	14,193,659	186,151	204.8

Detailed information for each budget unit is provided, along with a description of the services provided, budget unit history, applicable performance measures, policy item requests and fee requests.

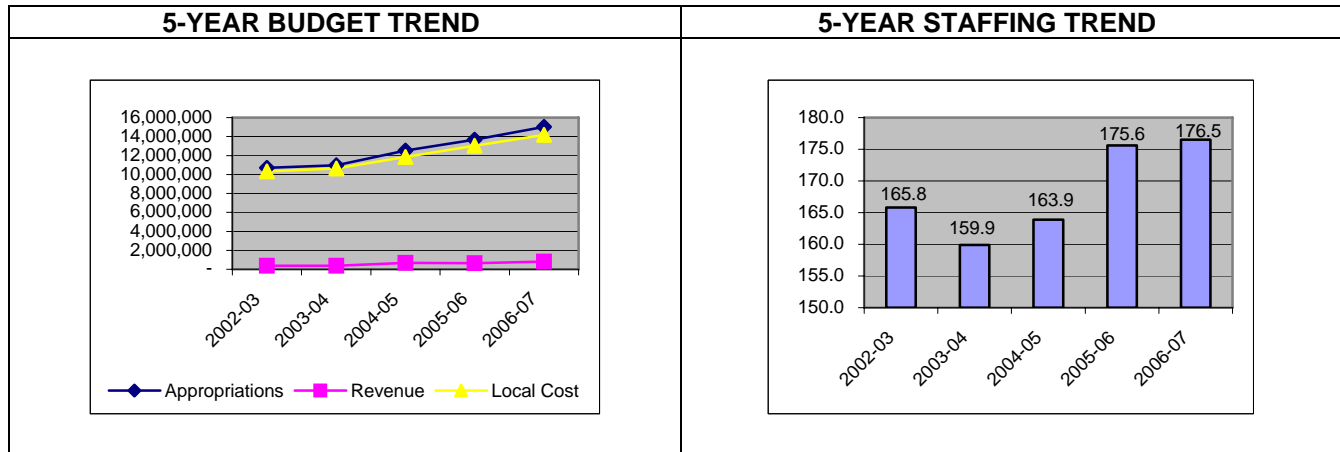


Assessor

DESCRIPTION OF MAJOR SERVICES

Under California law, the Assessor establishes a value for all property including residential, commercial, business and personal. The Assessor maintains current records on approximately 675,000 parcels of real property, 43,000 business property accounts and 33,000 other assessments including boats, aircraft, and manufactured home accessories. The Assessor also administers 17 different types of property tax exemptions including homeowner, veteran, disabled veteran, church, religious, and welfare exemptions.

BUDGET HISTORY



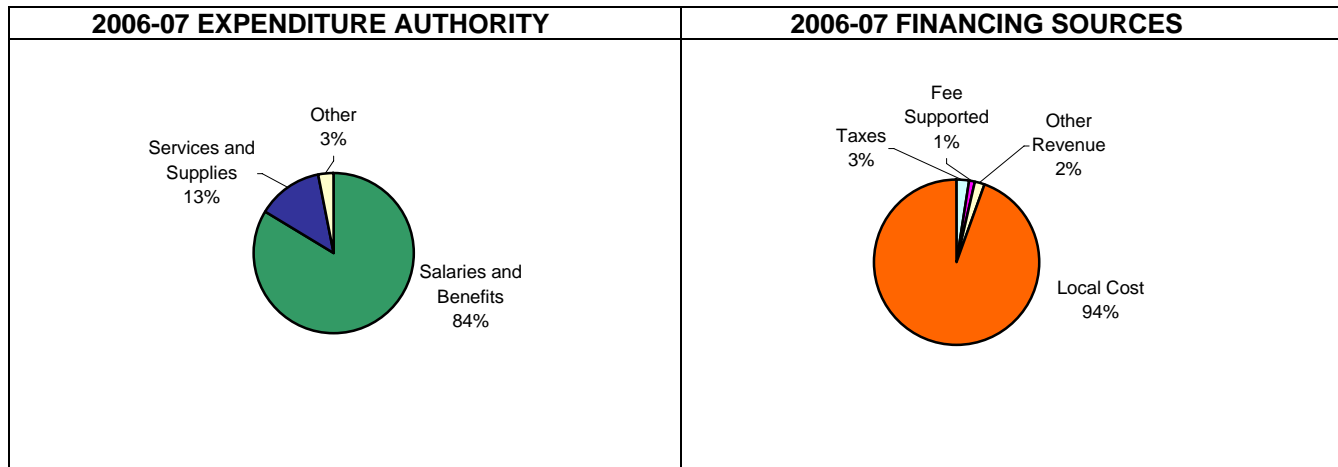
The Assessor's business is primarily affected by the changes in the real estate market. In San Bernardino, there have been a significant number of sales. In order to keep up with the growth, the Assessor's office has increased staff to maintain the growing workload. This is reflected in the staffing trend shown above. As with the staffing, the overall budget has correspondingly increased to meet the growth. The California Revenue and Taxation code requires several correspondences in order to properly inform the homeowners of any change in property status as well as requests for information. The required correspondence and their associated processing have increased the Assessor's overall budget.

PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	10,617,333	11,060,121	13,421,216	14,815,149	14,811,765
Departmental Revenue	463,745	504,768	849,595	647,500	949,909
Local Cost	10,153,588	10,555,353	12,571,621	14,167,649	13,861,856
Budgeted Staffing				175.6	



ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal
DEPARTMENT: Assessor
FUND: General

BUDGET UNIT: AAA ASR
FUNCTION: General
ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	8,785,588	9,471,812	10,411,631	11,848,095	11,658,169	12,543,588	885,419
Services and Supplies	641,443	674,808	1,942,430	1,719,363	855,452	1,072,738	217,286
Central Computer	763,446	648,697	734,722	906,845	866,895	929,546	62,651
Equipment	-	-	31,685	-	-	-	-
Transfers	426,856	287,943	300,748	285,462	285,462	377,430	91,968
Total Appropriation	10,617,333	11,083,260	13,421,216	14,759,765	13,665,978	14,923,302	1,257,324
Operating Transfers Out	-	(23,139)	-	52,000	-	90,357	90,357
Total Requirements	10,617,333	11,060,121	13,421,216	14,811,765	13,665,978	15,013,659	1,347,681
Departmental Revenue							
Taxes	327,880	301,163	428,136	475,739	307,500	390,000	82,500
Current Services	-	-	47,628	145,614	90,000	150,000	60,000
Other Revenue	135,865	203,605	373,831	328,556	250,000	280,000	30,000
Total Revenue	463,745	504,768	849,595	949,909	647,500	820,000	172,500
Local Cost	10,153,588	10,555,353	12,571,621	13,861,856	13,018,478	14,193,659	1,175,181
Budgeted Staffing					175.6	176.5	0.9

In 2006-07, the department will incur increased costs to maintain current services, such as negotiated labor agreements, retirement, central computer and inflationary services and supplies purchases; and will incur decreased costs in worker's compensation. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to department recommendations.

Budgeted staffing was also adjusted to reflect the additions of 1.85 Appraiser I, 0.75 Auditor Appraiser II and 0.96 Office Assistant III. The following positions were reduced 0.04 Appraisal Technician, 1.38 Appraiser II, 0.77 Appraiser III, 0.50 Assistant Assessor. Budgeted staffing reflects a net increase of 0.9 position. These adjustments (i.e., increases and decreases) account for the anticipated attrition in the upcoming fiscal year and was established based on historical trends.



The cost of performing the mandated functions of the Assessor's office has continued to grow over the past couple of years. In order to meet this demand, services and supplies were increased to better utilize the available funds for the mandated expenses (i.e., printing, presort & packaging, mileage reimbursement, travel, etc).

In 2006-07 fee revenue is projected to increase due to the real estate market being increasingly active (e.g., special assessments', change of ownership fees, and exclusion fees etc.) as well as the increase in the values of the properties. It is anticipated that this trend will hold up for the next year and therefore revenue was increased to match expectations.

PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Use of a satisfaction survey on the website consisting of a yes/no format to determine if the visitor found the information they were looking for. Baseline to be established prior to the start of 2006-07.		70% yes responses
Wait times to direct callers, compare to prior year's results.		5% Reduction
Number of new informational instruction sheets available in Spanish.		10% Increase
Residential appraiser's production rate.		10% Increase
Title Transfer Technician's production rate.		10% Increase
Percentage of reviewed change of ownership events that have been processed accurately.		95% (475)
Number of non-mandatory audits performed annually.		10% Increase (20 audits)

POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
1	<p>Computer Server Hardware</p> <p>Concurrent with the development of the Business Plan, the Assessor's office was performing a risk analysis of the computer systems. The strategy to replace the high risk equipment was to utilize excess revenue achieved in 2005-06. However, after turning in the business plan policy items, it was discovered that the amount of revenue available was insufficient to cover the critical need.</p> <p>Replace computer systems hardware and software: Assessor's office has been maintaining its' current equipment, but the current platform will not be able to be maintained/supported after December 2006. Assessor's office is working with ISD to move forward to a more efficient Microsoft supported system. The replacement equipment is required to keep the Assessor's office operating without interruption. If the equipment crashes, the department will lose functionality/productivity of the staff. One-time Additional Funding Requested: \$115,000 increase in equipment.</p>	-	115,000	-	115,000	
Proposed Performance Measure: Replace Computer Server Hardware						> 95%



POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
2	<p>Increase in Public Service Staff</p> <p>Taxpayer inquiries have dramatically increased over the last couple years due to the increase in property sales throughout the county. In order to keep up with the phone calls and walk in traffic, additional staff is pulled from their regular duties in order to assist with public assistance. The increase of public inquiries is due to several factors: the number of parcels transferred (5% increase in the past 2 years), the high-assessed value of the parcels selling, and resulting in very high supplemental and annual tax bills. Due to the improved collection practices by the Treasurer Tax Collector/Public Administrator (TTC) aggressive collection practices, as taxpayers call the TTC, they often have related questions for the Assessor. Increasing the staff with 2.0 additional Office Assistant IIs would provide the needed resources to adequately cover the public demand.</p> <p>The Assessor's office has conducted phone surveys, which indicated that the public has to wait an unacceptable amount of time to speak to a staff member. We have defined improving this situation in our Business plan. On-going Additional Funding Requested: \$84,000 in salaries and benefits and \$4,000 in services and supplies.</p>	2.0	88,000	-	88,000	
	<i>Supports Wait Time performance measure</i>					5% reduction
3	<p>Restoration of Admin Office Assistant</p> <p>The perspective of the policy items for the Business Plan was long term strategic needs. The receptionist/mail handler position is being covered by a temp and was overlooked as an immediate term need.</p> <p>Increases in property sales in the county have resulted in an increase in public inquiries. During the prior budget reductions, the Administrative receptionist (Clerk III) was deleted to provide departmental cost savings. The Administrative receptionist's primary function is to greet visitors and answer the phones for the executive staff. This position has also assumed the duty of sorting department mail as well as maintaining department supplies. With the loss of this position, these tasks have been delegated to other staff (i.e., Payroll Specialist, Fiscal Assistant, Staff Analyst, etc.) and the reception desk has been left unoccupied. This resulted in other tasks not being completed timely due to the interruptions from the phones. Recently a temporary employee was hired to allow the staff to get caught up with their primary tasks.</p> <p>Without a full time administrative receptionist, primary tasks will be placed on the back burner, such as updating policies and procedures (etc.). It is requested that an Office Assistant III be added back to the Assessor's Administrative staffing. On-going Additional Funding Requested: \$42,000 increase in salaries and benefits and \$2,000 increase in services and supplies.</p>	1.0	44,000	-	44,000	
	<i>Supports Wait Time performance measure</i>					5% reduction



POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
4	<p>Additional Real Property Staff</p> <p>The rollout of the AES comp sales tool to the real property staff is now in process. Until this point, it was difficult to fully determine the impact and benefits of the AES product. Also, at the time the Business Plan was submitted, the enormity of the valuation workload increase for 2006 was not fully known. Note that the majority of these positions are valuation support personnel that do not directly benefit from AES.</p> <p>The change of ownership and new construction appraisal workload activity in the last three-year period is far greater than was anticipated in the department long-range projections (from 112,633 to 202,816 valuation event units). The surge has been largely managed without a significant increase in workload backlog through the sheer human determination of the valuation staff, coupled with efficiency improvements in systematic tools such as Assessment Evaluation Services (AES), equipment, and approval of a few key positions by the Board of Supervisors.</p> <p><u>Property Valuation</u></p> <p>It should be noted that the AES program cannot solely address the huge increase in valuation activity. The appraisal staff is required to physically measure and draw the newly built homes in the field, complete a building record, and then input the property characteristics in to a database. After the characteristic data is captured, AES can be utilized to estimate fair market value. Currently we are experiencing a tremendous increase in new construction permits for single-family homes in our Victorville and Yucca Valley district offices with an increase of construction work volume up 148% and 40% respectively. Economics predict that this trend will continue. The 2.0 appraiser I positions requested are slated for assignment to these 2 district offices to handle the new constructions and related change of ownership activity. (Requesting 2.0 Appraiser I positions)</p> <p><u>Valuation Support</u></p> <p>The actual surge in total workload for the past 3 years has been statistically skewed by the fact that most of our Prop 8s have been retired thus when you analyze the property transfers and new construction workload over a 3-year period, there has been an 80% cumulative increase. The Assessor utilizes appraiser technicians in assisting both the residential and commercial appraisers in the measuring and drawing up of new construction. This will allow the commercial and residential appraiser to concentrate on property valuation functions determining value-using AES where applicable. The appraiser technicians also perform duties in the valuation of low value new construction and manufactured homes. Activity in these work units has also increased significantly.</p> <p>Another area that has not been provided for by the AES or previous additions of appraisal positions is the proportionate increase in public inquiries and complaints that accompany the quantum leap in valuation events. The volume of these contacts has overwhelmed the Office Assistant and Appraisal Technician staffs. Appraisers have been forced to backfill lower level duties in order for the department to deliver the high level of public service that the Assessor's Office is committed to providing. A business operation efficiency opportunity can be realized with the addition of a moderate number of valuation support staff, freeing the appraisers to concentrate on property valuation functions. (Requesting 2.0 Office Assistant III and the 4.0 Appraiser Technician)</p> <p><u>Valuation Sampling</u></p> <p>The Assessor's Office maintained a position that split time on internal audit functions and valuation sampling to insure laws, policies, and procedures are uniformly applied in the nine real property field office locations in the county. The balance of the time was spent on technical appraisal assignments. This position was sacrificed in the spend down budget cuts a few years ago when it was vacated by retirement. The assessor is seeking to restore this position to insure high quality performance ratings on the periodic State Board of Equalization audits of the department. The rating is very important because it is used to determine whether or not the county qualifies to retain five percent of the supplemental assessment revenue for administering the rolls as provided by SB 813. (Requesting 1.0 Appraiser III)</p> <p>Ongoing Additional Funding Requested: \$516,250 increase in salaries and benefits and \$18,000 increase in services and supplies.</p>	9.0	534,250	-	534,250	
Supports Residential Appraisal performance measure						10% increase



POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
5	Increase Transfers Quality In order to keep up with the high volume of recorded documents (e.g., deeds), the transfers staff has been required to increase the speed of processing each document. This has resulted in a higher number of errors and causes an increase in rework. The addition of another senior technician (Title Transfer Technician II) to provide quality control would assist in alleviating this situation. On-going Additional Funding Requested: \$62,000 increase in salaries and benefits and One-time increase of \$2,000 in services and supplies.	1.0	64,000	-	64,000	
	<i>Supports Title Transfer Technician performance measure</i>					10% increase
6	Reclassification of Critical Staff Position reclassification determined after establishment of Business Plan. The staff (2) that currently process splitting/combining parcels are classified as Title Transfer Technician I. Due to the evolution of the GIS, these individuals duties are more aligned with the tasks of a Cadastral Drafting Technician I. Request performing a study to evaluate the proper classification for these positions. On-going Additional Funding Requested: \$4,800 increase in salaries and benefits.	-	4,800	-	4,800	
	<i>Supports Cadastral Drafting Technician performance measure</i>					10% increase
7	Reclassification of Business Prop. Staff With the transition to electronic image storage of annual 571-L Property Statements and Landlord Letters from maintenance of hard-copy parcel record folders, the responsibilities of Position # 70885 have changed. The regular duties of the position have shifted from maintaining paper record files to public service resource and process support for Auditor-Appraisers in completing audits of business records. The new duties of the position are more technical and require greater knowledge. The position warrants reclassification for fairness and avoidance of out-of-class responsibility claim issues. On-going Additional Funding Requested: \$1,500 increase in salaries and benefits.	-	1,500	-	1,500	
	<i>Supports Non-mandatory Audits performance measure</i>					10% increase
Total		<u>13.0</u>	<u>851,550</u>	<u>-</u>	<u>851,550</u>	

FEE REQUEST SUMMARY				
Brief Description of Fee Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Property Information Reports The Assessor has developed a multi page, presentation quality report that can be produced detailing ownership, value, exemption, and parcel history information as well as complete characteristic data. The printed report is multiple pages (9 to 15) and contains characteristic information. The new reports replaces the previous methodology of selling a "screen print" to the taxpayer. Revenue and Taxation Code Section 408.3 (c) indicates that the assessor may require a fee reasonably related to the actual cost of developing and providing the information by the party receiving the information. The Assessor currently levies a fee of \$2 per printed page of data from the Property Information Management System and \$5 for property characteristic data. At these rates, the taxpayer would be required to pay \$18 to \$35. This new report is a more efficient method of providing a total parcel information report and can be produced at a cost of \$15 per report. This request is to update the Assessor fee schedule as result of the new report. Since this is report is only a change in the report provided to the taxpayer, it is anticipated that there will be no change (or negligible) in revenue from this fee change.	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>





2006-07 REVISED/NEW FEE REQUESTS
PROGRAM SUMMARY

GROUP NAME: Fiscal
DEPARTMENT NAME: Assessor
FUND NAME : General
BUDGET UNIT: AAA ASR
PROGRAM: Finance

PROGRAM APPROPRIATION AS CURRENTLY BUDGETED	
Budgeted Appropriation	\$ 15,013,659

PROGRAM APPROPRIATION IF FEE REVISIONS ARE ACCEPTED	
Revised Appropriation	\$ 15,013,659

DIFFERENCES
(See Following Page
for Details)

\$ -
-
-
-
-
-
\$ -

PROGRAM FUNDING SOURCES AS CURRENTLY BUDGETED	
Current Fee Revenue for listed fees	-
Fee Revenue for fees not listed	430,000
Non Fee Revenue	390,000
Local Cost	14,193,659
Budgeted Sources	\$ 15,013,659

PROGRAM FUNDING SOURCES IF FEE REVISIONS ARE ACCEPTED	
Fee Revenue for listed fees	-
Fee Revenue for fees not listed	430,000
Non Fee Revenue	390,000
Local Cost	14,193,659
Revised Sources	\$ 15,013,659

SUMMARY OF JUSTIFICATION FOR FEE REQUEST(S)	
Change in Employee Related Costs	
Inflationary Costs	
Other	
Total	\$ -

Summary of Justification for Fee Request(s) and the Budgetary Impact to Program if Fee(s) are approved:
A new report was developed to provide to when they visit one of the Assessors information counters. In the past, the data was brought up in PIMS and a screen shot was printed and provided. The old version was more difficult to understand and typically confused the taxpayer. The change to the fee schedule reflects the sale of the report rather than the screen shot. Since this was a service previously provided, it is anticipated there will be no increase/decrease of revenue.



2006-07 REVISED/NEW FEE REQUESTS
FEE SUMMARY

GROUP NAME: Fiscal
DEPARTMENT NAME: Assessor
FUND NAME : General
PROGRAM: Finance

CURRENT FEE ORDINANCE/ CODE SECTION	FEE TITLE/ DESCRIPTION	CURRENT FEE	CURRENT UNITS IN BUDGET	CURRENT FEE REVENUE	PROPOSED FEE	PROPOSED UNITS	PROPOSED/ NEW FEE REVENUE	CHANGE IN FEE	CHANGE IN UNITS	CHANGE IN REVENUE	INCREASE IN APPROP	JUSTIFICATION FOR REQUEST INCLUDE BUDGETARY IMPACT IF FEE IS APPROVED
16.023 c)	Screen prints for property information	\$ 1.00		\$ -	\$ 1.00		\$ -	\$ -	-	\$ -	\$ -	A new report was developed to be provided to the taxpayer. Historically, we gave them a screen print. The change reflects this new methodology and charges per page. Since it is a replacement product, we do not anticipate any change in revenue.
16.032 d)	Prop Information full report			\$ -	\$ 15.00		\$ -	\$ 15.00	-	\$ -	\$ -	This is a consolidation of the pages above.

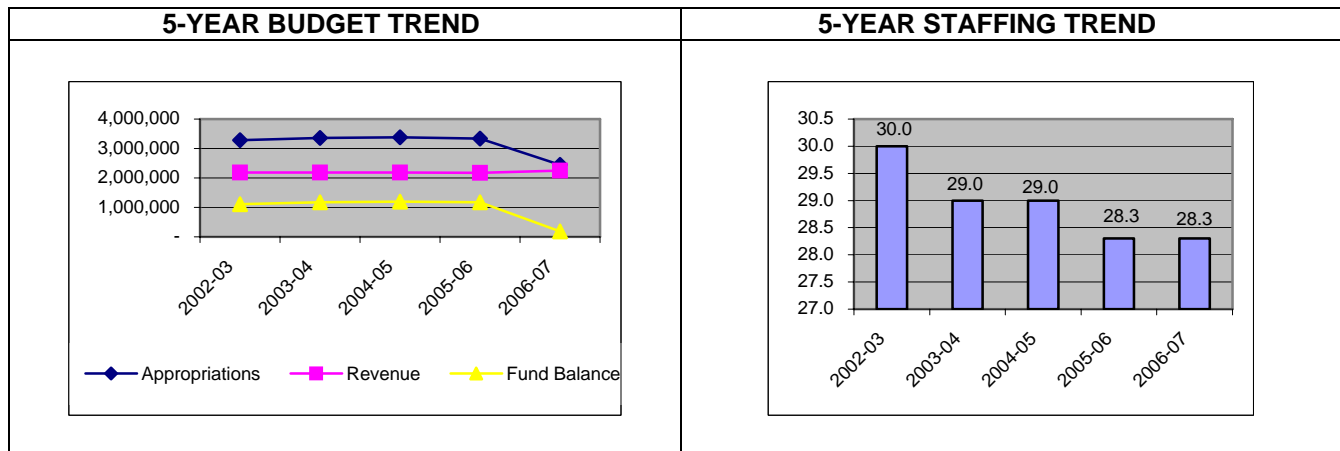
State/County Property Tax Administration Program

DESCRIPTION OF MAJOR SERVICES

On February 13, 1996, the Board of Supervisors approved an agreement with the State of California to participate in a state/county property tax administration program for 1996. The agreement provided a loan of \$2,139,938 for 1996, with a provision for the same in the following two calendar years. The state passed legislation extending this program through calendar year 2002.

Effective January 1, 2002, the State legislature approved authorization of AB589. This bill creates the State-County Property Tax Grant Program to replace the prior loan program. The grant is effective starting with the 2002-03 fiscal year and is authorized until the 2006-07 fiscal year. As with the prior loan program, these funds are intended to supplement the county's property tax administrative cost. The amount of the loan is set forth on a schedule established by the state and is anticipated to be the same as the previous loan program. Contingencies are used to set aside funds that are available from the state on a calendar year basis but are budgeted and managed in the county system on a fiscal year basis. The state's funding of this program has been put on hold for 2 years. The California Assessors Association has been working with the State Department of Finance to establish a replacement program to restore this vital funding source. The County Administrative Office is financing this program until the state resumes funding.

BUDGET HISTORY



In 2006-07, the appropriations and the resulting fund balance have been dramatically reduced due to the postponement of funding by the state. In order to maintain the workload the County Administrative Office has back-filled state funding with general fund contingencies to finance the program until the state resumes the funding. The funding enables the Assessor to complete all the workload as mandated in the Revenue and Taxation code.

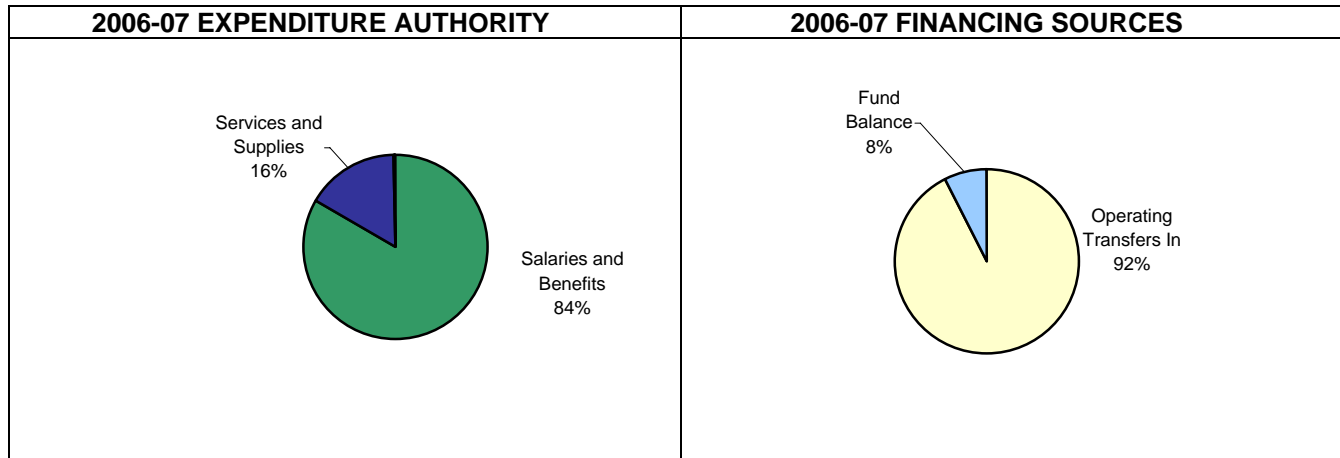
PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	2,110,575	2,151,916	2,189,832	3,394,314	2,067,467
Departmental Revenue	2,183,040	2,173,518	2,162,020	2,223,438	1,082,742
Fund Balance				1,170,876	
Budgeted Staffing				28.3	

In 2005-06, revenue from the state have been dramatically reduced due to the postponement of the Program. In order to maintain the workload \$1,000,000 has been transferred from the county general fund to finance the program.



ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal
DEPARTMENT: Assessor
FUND: State/County Prop Tax Admin

BUDGET UNIT: RCS ASR
FUNCTION: General
ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	1,565,193	1,645,952	1,837,812	1,694,379	1,910,545	2,036,992	126,447
Services and Supplies	545,382	500,764	346,493	367,229	370,802	375,289	4,487
Central Computer	-	-	-	-	-	21,906	21,906
Transfers	-	5,200	5,527	5,859	5,859	7,259	1,400
Contingencies	-	-	-	-	1,055,108	-	(1,055,108)
Total Appropriation	2,110,575	2,151,916	2,189,832	2,067,467	3,342,314	2,441,446	(900,868)
Departmental Revenue							
Use Of Money and Prop	43,102	20,915	21,106	26,929	25,000	25,000	-
State, Fed or Gov't Aid	2,139,938	2,152,603	2,140,874	-	2,139,938	-	(2,139,938)
Other Revenue	-	-	40	3,813	6,500	-	(6,500)
Total Revenue	2,183,040	2,173,518	2,162,020	30,742	2,171,438	25,000	(2,146,438)
Operating Transfers In	-	-	-	1,052,000	-	2,230,295	2,230,295
Total Financing Sources	2,183,040	2,173,518	2,162,020	1,082,742	2,171,438	2,255,295	83,857
Fund Balance					1,170,876	186,151	(984,725)
Budgeted Staffing					28.3	28.3	-

In 2006-07, the department will incur increased costs to maintain current services, such as negotiated labor agreements, retirement, risk management, central computer and inflationary services and supplies purchases; and will incur decreased costs in worker's compensation. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to department recommendations.

In 2006-07, contingencies and revenue from the state have been dramatically reduced due to the postponement of the Program. In order to maintain the workload the entire \$2,139,938 has been transferred from the county general fund to finance this program until the state resumes funding of this program. The funding enables the Assessor to complete all the workload as mandated in the Revenue and Taxation code.



AUDITOR/CONTROLLER-RECORDER

Larry Walker

MISSION STATEMENT

The San Bernardino County Auditor/Controller-Recorder's (ACR) Office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

We are committed to:

Our Taxpayers

.... spending taxpayer dollars wisely. To this end, we are dedicated to providing our services in a cost effective, efficient manner by taking advantage of innovation and new technology. We will promote sound financial management throughout County government and will perform budgetary control as required by law.

Our Customers

.... providing a high level of quality services to our customers. We will be sensitive and responsive to our customers' needs and expectations. We will be accurate, thorough and timely in the performance of our duties and will treat our customers in a professional manner with courtesy and respect.

Our Employees

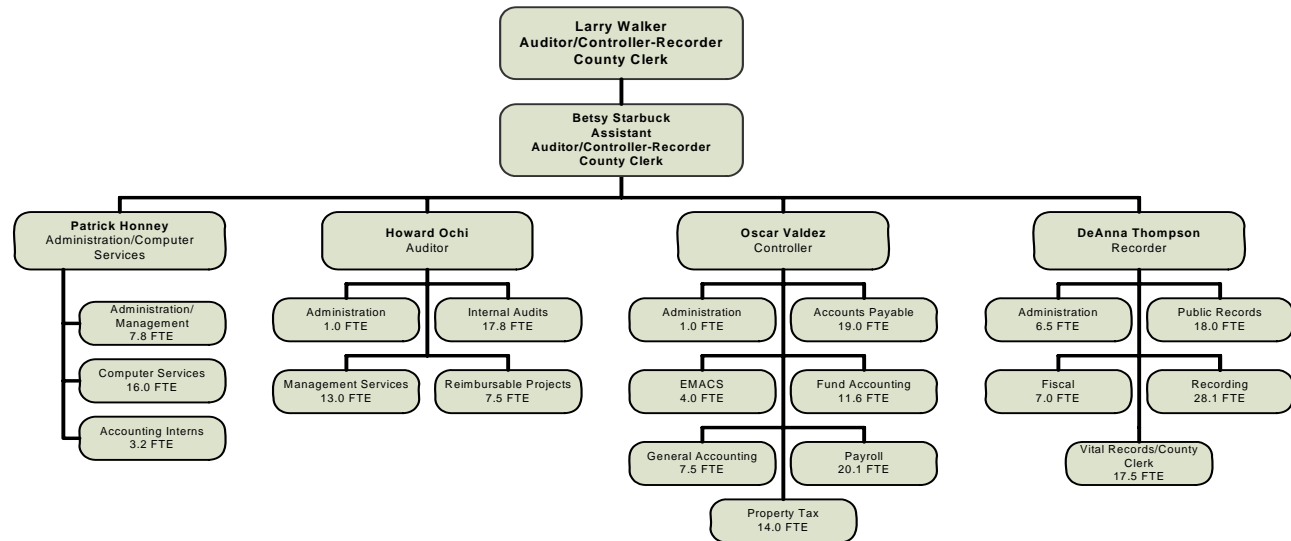
.... providing our employees with a safe, comfortable working environment in an atmosphere of mutual respect, cooperation and non-discrimination. We will hire and train competent, knowledgeable individuals with backgrounds that will complement and enhance the abilities of our workforce and we will provide opportunities for continued professional growth and advancement. We recognize, value, and support the efforts and ideas of our employees and will provide the information and resources necessary to accomplish the goals of this organization.

STRATEGIC GOALS

1. Improve the Financial Accounting System (FAS)
2. Improve Recorder Division's Digitized Images
3. Enhance Accounts Payable Process
4. Improve the Disaster Recovery Process



ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2006-07				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
Auditor/Controller-Recorder	18,105,671	5,543,522	12,562,149		209.6
Micrographics	-	-		-	-
Systems Development	21,312,695	6,500,000		14,812,695	17.0
Vital Records	294,074	142,000		152,074	-
Records Management	-	-		-	-
TOTAL	39,712,440	12,185,522	12,562,149	14,964,769	226.6

Detailed information for each budget unit is provided, along with a description of the services provided, budget unit history, applicable performance measures and fee requests.



Auditor/Controller-Recorder

DESCRIPTION OF MAJOR SERVICES

The Office of the Auditor/Controller-Recorder and County Clerk is responsible for providing the county and its constituents with a variety of accounting services and document recording and management services. The Auditor and Controller Divisions record the collections and perform the accounting, reporting, disbursement, and audits of all county financial activities to ensure sound financial management. In addition, they are responsible for personnel payroll services, developing and implementing accounting systems and standards, conducting operational risk assessment reviews, and administering the Countywide Cost Allocation Plan.

The Recorder Division accepts all documents for recording that comply with applicable recording laws, producing and maintaining official records evidencing ownership and encumbrances of real and personal property and other miscellaneous records. The Recorder Division is also responsible for County Archives and County Clerk functions. County Archives maintains all the historical records for the county. The office of the County Clerk produces and maintains the official records of vital statistics, fictitious business names, and other entities required by the state to register with the County Clerk.

The specific services performed by each division are listed below.

Auditor Division

- Perform financial and internal audits and risk assessment reviews
- Advise departments on conducting operational risk assessment
- Prepare the Countywide Cost Allocation Plan (COWCAP) and the Indirect Cost Rate Proposal (ICRP)
- Implement new accounting systems
- Perform disaster response accounting
- Assist departments with reimbursement claims through state and federal processes
- Provide consultation services to departments to integrate accounting and financial processes such as the use of credit cards and departmental accounting software
- Prepare Internal Service Fund (ISF) financial statements

Controller Division

- Process payroll for county (EMACS partner)
- Perform contract payroll for outside governmental agencies
- Manage the Financial Accounting System (FAS) and maintain official county records through FAS
- Audit vendor payments and perform the accounts payable processes
- Manage county credit cards
- Control budget expenditures to Board-approved appropriation levels
- Maintain the county's chart of accounts
- Prepare the Comprehensive Annual Financial Report (CAFR) according to Governmental Accounting Standards Board (GASB) standards
- Extend property tax roll and apportion property tax revenue
- Prepare assurance type reports for county and outside agencies

Recorder Division

- Upon payment of proper fees and taxes, the recorder:
 - Records land records related to real and personal property ownership, judgments, liens, notices, military discharges, marriage licenses, and other miscellaneous documents
 - Files maps or documents such as tract maps, subdivision maps, parcel maps, and certificates of correction
- Collects and distributes portions of monies to various agencies, such as D.A. Real Estate Fraud fund, Preliminary Change of Ownership Reports to Assessor, and Documentary Transfer Tax to the county and cities
- Images, maintains and provides documents digitally and in a photographically reproducible format (microfilm)
- Creates, maintains and provides an index of document information, including Grantor/Grantee, when recorded mail to, Assessor's parcel number, and the short legal description
- Certifies and testifies to validity of documents on file



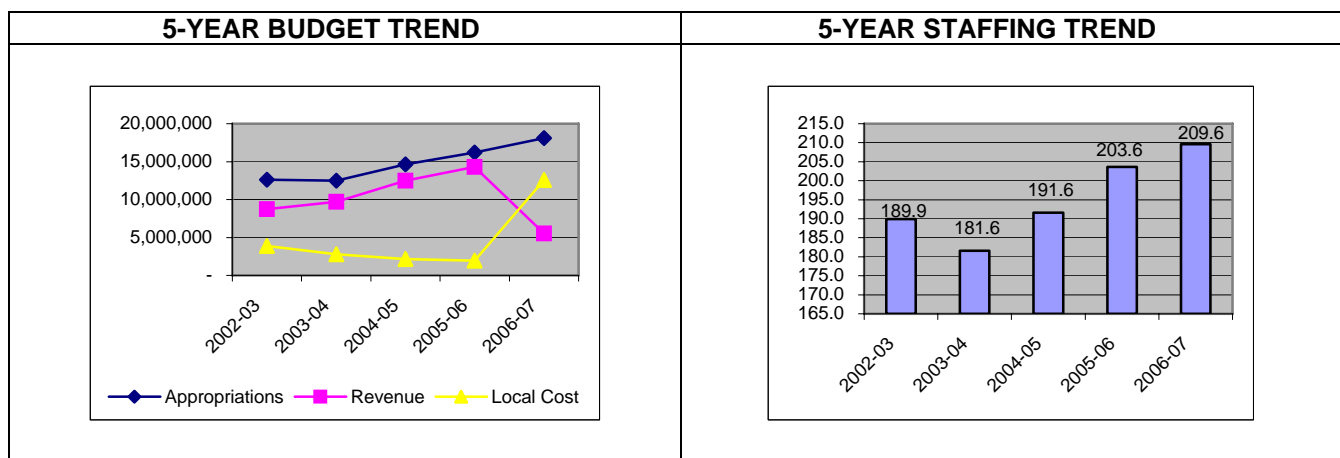
County Clerk Section

- Review, issue and file Fictitious Business Names (FBN) to individuals, partnerships, and corporations
- Review applications, review background checks with the State Department of Justice, and issue identification cards for unlawful detainer processor, legal photocopier, process server, notary public and power of attorney
- Maintain, report, and make available to the public Oaths of Office and Conflict of Interest reports for specified individuals
- Issue marriage licenses
- Issue certified and informational copies of birth, death, and marriage certificates
- Perform civil marriage ceremonies
- Deputize commissioners of civil marriages, deputy county clerks, deputy recorders, and notary publics
- Image, maintain, and provide documents digitally and in a photographically reproducible format (microfilm)

Archives Section

- Restore, preserve, and manage historic records (archives) as it relates to the history of county government

BUDGET HISTORY



The significant increase in local cost and decrease in revenue in 2006-07 is a result of the County's concern for stabilizing the department's financing. Recording revenue has been placed in Countywide discretionary revenue and in lieu of this revenue source, additional general fund financing has been provided. The restructuring of this revenue was board approved on November 1, 2005.

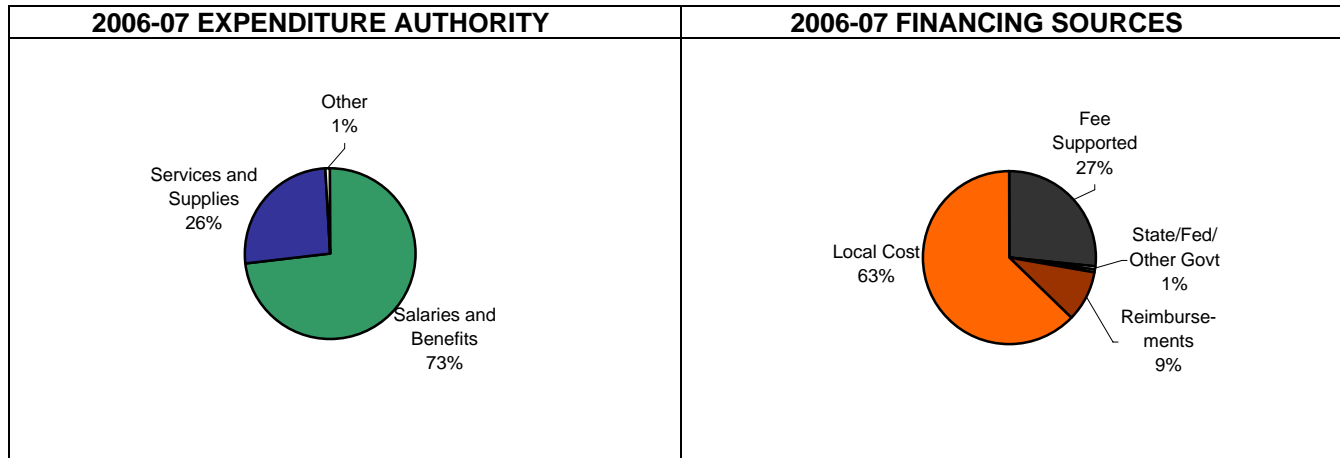
PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified 2005-06 Budget	2005-06 Estimate
Appropriation	11,894,771	11,954,500	19,968,967	16,625,805	15,997,297
Departmental Revenue	12,560,881	14,705,766	15,184,728	4,638,328	5,372,439
Local Cost	(666,110)	(2,751,266)	4,784,239	11,987,477	10,624,858
Budgeted Staffing				203.6	

Estimated appropriations for 2005-06 are less than the modified budget primarily due to difficulty in filling specialized vacant positions. Departmental revenue exceeds the modified budget primarily due to increased activity in Vital Records and the County Clerk section. Local cost reflects a significant increase over 2004-05 due to replacing recording revenue with local cost.



ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal
DEPARTMENT: Auditor/Controller-Recorder
FUND: General

BUDGET UNIT: AAA ACR
FUNCTION: General
ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	9,088,728	9,612,515	10,707,547	12,942,024	12,990,684	14,582,136	1,591,452
Services and Supplies	1,594,559	2,019,691	3,667,274	3,279,216	3,724,654	4,342,973	618,319
Central Computer	736,734	872,222	1,159,570	1,106,542	1,061,083	921,399	(139,684)
L/P Struct/Equip/Vehicles	-	-	4,531,810	-	-	-	-
Transfers	750	88,454	34,618	38,706	38,706	139,955	101,249
Total Exp Authority	11,420,771	12,592,882	20,100,819	17,366,488	17,815,127	19,986,463	2,171,336
Reimbursements	-	(798,382)	(1,010,208)	(1,604,481)	(1,604,481)	(1,880,792)	(276,311)
Total Appropriation	11,420,771	11,794,500	19,090,611	15,762,007	16,210,646	18,105,671	1,895,025
Operating Transfers Out	474,000	160,000	878,356	235,290	-	-	-
Total Requirements	11,894,771	11,954,500	19,968,967	15,997,297	16,210,646	18,105,671	1,895,025
Departmental Revenue							
Taxes	-	186	-	-	-	-	-
Licenses and Permits	410,715	412,714	561,419	475,000	490,200	480,000	(10,200)
State, Fed or Gov't Aid	4,926	80,038	91,166	138,830	89,983	125,722	35,739
Current Services	11,601,766	14,106,149	14,409,803	4,667,789	13,627,145	4,842,800	(8,784,345)
Other Revenue	72,976	106,679	122,340	90,820	76,000	95,000	19,000
Total Revenue	12,090,383	14,705,766	15,184,728	5,372,439	14,283,328	5,543,522	(8,739,806)
Operating Transfers In	470,498	-	-	-	-	-	-
Total Financing Sources	12,560,881	14,705,766	15,184,728	5,372,439	14,283,328	5,543,522	(8,739,806)
Local Cost	(666,110)	(2,751,266)	4,784,239	10,624,858	1,927,318	12,562,149	10,634,831
Budgeted Staffing					203.6	209.6	6.0

In 2005-06, the department installed the Symposium Telephone Management System. In an effort to improve customer service, the next step will be to implement a call center to assure the best possible response to calls received by the system. The department has included in the 2006-07 budget the cost of \$245,000 to fund the call center to respond to this need.

In 2006-07, the department will incur increased costs in salaries and benefits of \$1,591,452 due to approved MOU, retirement, risk management and workers' compensation. Budgeted staffing was also adjusted to reflect the addition of 8.0 positions costing \$574,594 to support the goals in the Business Plan, which includes improving the Financial Accounting System; monitoring user satisfaction surveys and providing additional training as needed. The department has identified additional on-going revenue to support the 8.0 additional positions. The additional positions include 1.0 Accountant I, 1.0 Accountant II, 1.0 Systems Accountant II, 1.0 Systems Accountant III, 1.0 Accounting Technician, 1.0 Supervising Accountant III, 1.0 Fiscal Assistant, and 1.0 Office Assistant II. These added positions are offset by the deletion of 1.0 Human Resources Officer position.



which was transferred to the Human Resources Department and the deletion of 1.0 Records Management Supervisor. The overall budgeting staffing reflects a net increase of 6.0 positions.

Services and supplies are increasing by \$618,319 primarily due to the projected operation of the call center and the corresponding services and supplies cost for the 8.0 additional positions, inflationary services and supplies purchases. The increased cost of \$101,249 in transfers are due to EH&P, employee benefits and the transfer of funds to the Human Resource Department for the reimbursement of the Human Resources Officer II position.

Reimbursements increased by \$276,311 due to the cost of services that support Systems Development and modernization activities such as step increases and estimated inflation costs for services and supplies.

Due to the unpredictable nature of recording fee revenue and the County Administrative Office's concern for stabilization of departmental financing, the recording fee revenue of \$9,645,000 has been placed in Countywide discretionary revenue and in lieu of this revenue source, additional general fund financing has been provided. In addition, departmental revenue increased by \$894,994 due to underestimating fee revenues in the Vital Records and County Clerk section. A decrease in other revenue of \$10,200 is due to a decrease in License fees, which reflect fewer marriage licenses being issued.

PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Percentage of payments processed within ten days of presentation to ACR.	80%	90%
Percentage of film images that are repaired by June 30, 2007.		80%
Track number of microfilm cassettes that are inventories within one month of receipt by June 30, 2007.		100%
Convert percentage of microfilmed images from 1980 to present to a digitized format by June 30, 2007.		80%
Increase overall Cal-Card use.		10%
Increase Electronic fund transfers to pay vendors.		10%

The performance measures for this budget unit demonstrate an emphasis on excellent customer service and the use of technology to achieve it. The department will improve customer service in Accounts Payable by paying more vendors electronically, transferring assigned Visa cards to Cal-Card, increasing the number of departments utilizing Cal-Card, and processing payments more quickly.

The Recorder's division will focus on improving customer service through microfilm repair, cataloging the microfilm, and then digitizing the improved images for better, long-lasting use.

FEE REQUEST SUMMARY				
Brief Description of Fee Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Accounting Fees	-	44,890	44,890	-
This uniform rate is based upon cost accounting from the 2005-06 COWCAP.				
Notary Public Filing	-	26,400	26,400	-
To recover actual direct and indirect costs. Increased costs due to mandated additional activities.				
Total	-	71,290	71,290	-





2006-07 REVISED/NEW FEE REQUESTS
PROGRAM SUMMARY

GROUP NAME: Fiscal
DEPARTMENT NAME: Auditor/Controller-Recorder
FUND NAME : General
BUDGET UNIT: AAA ACR
PROGRAM: Various

PROGRAM APPROPRIATION AS CURRENTLY BUDGETED	
Budgeted Appropriation	\$ 18,105,671

PROGRAM FUNDING SOURCES AS CURRENTLY BUDGETED	
Current Fee Revenue for listed fees	773,800
Fee Revenue for fees not listed	4,549,000
Non Fee Revenue	220,722
Local Cost	12,562,149
Budgeted Sources	\$ 18,105,671

PROGRAM APPROPRIATION IF FEE REVISIONS ARE ACCEPTED	
Revised Appropriation	\$ 18,176,961

PROGRAM FUNDING SOURCES IF FEE REVISIONS ARE ACCEPTED	
Fee Revenue for listed fees	845,090
Fee Revenue for fees not listed	4,549,000
Non Fee Revenue	220,722
Local Cost	12,562,149
Revised Sources	\$ 18,176,961

DIFFERENCES (See Following Page for Details)	
\$ 71,290	
71,290	
-	
-	
-	
\$ 71,290	

SUMMARY OF JUSTIFICATION FOR FEE REQUEST(S)	
Change in Employee Related Costs	
Inflationary Costs	
Other	71,290
Total	\$ 71,290

Summary of Justification for Fee Request(s) and the Budgetary Impact to Program if Fee(s) are approved:
The requested fee increases are to either (1) adjust the rates closer to the actual costs as documented by COWCAP or (2) to recover actual direct and/or indirect costs. All fees are consistent with fees charged by benchmark counties consisting of Alameda, Riverside, Orange, Ventura, Santa Clara, and San Diego. The Auditor/Controller-Recorder has proposed two fee changes for 2006-07. Revisions to existing fees to adjust for actual cost increases include accounting and auditing fees from \$72/hr, to \$77/hr; payroll accounting fee from \$36/hr to \$39/hr; and Notary Public Filings fee from \$29/hr to 35/hr.



2006-07 REVISED/NEW FEE REQUESTS FEE SUMMARY

GROUP NAME: Fiscal
DEPARTMENT NAME: Auditor/Controller-Recorder
FUND NAME : General
PROGRAM: Various

CURRENT FEE ORDINANCE/ CODE SECTION	FEE TITLE/ DESCRIPTION	CURRENT FEE	CURRENT UNITS IN BUDGET	CURRENT FEE REVENUE	PROPOSED FEE	PROPOSED UNITS	PROPOSED/ NEW FEE REVENUE	CHANGE IN FEE	CHANGE IN UNITS	CHANGE IN REVENUE	INCREASE IN APPROP	JUSTIFICATION FOR REQUEST INCLUDE BUDGETARY IMPACT IF FEE IS APPROVED
16.023A (a)	Auditing fee	\$ 72.00	3,928	\$ 282,816	\$ 77.00	3,928	\$ 302,456	\$ 5.00	-	\$ 19,640	\$ 19,640	This uniform rate is based upon cost accounting from the 2006/07 COWCAP.
16.023A (b)	Management Services fee	\$ 72.00	-	\$ -	\$ 77.00	-	\$ -	\$ 5.00	-	\$ -	\$ -	See Above
16.023A (e)	General Accounting fee	\$ 72.00	1,902	\$ 136,944	\$ 77.00	1,902	\$ 146,454	\$ 5.00	-	\$ 9,510	\$ 9,510	See Above
16.023A (f)	Property Tax Accounting fee	\$ 72.00	-	\$ -	\$ 77.00	-	\$ -	\$ 5.00	-	\$ -	\$ -	See Above
16.023A (i)	Payroll Accounting fee	\$ 36.00	30	\$ 1,080	\$ 39.00	30	\$ 1,170	\$ 3.00	-	\$ 90	\$ 90	See Above
16.023A (1)	Reimbursable Projects Accounting fee	\$ 72.00	3,130	\$ 225,360	\$ 77.00	3,130	\$ 241,010	\$ 5.00	-	\$ 15,650	\$ 15,650	See Above
16.023A (y)	Notary Public Filings	\$ 29.00	4,400	\$ 127,600	\$ 35.00	4,400	\$ 154,000	\$ 6.00	-	\$ 26,400	\$ 26,400	To recover actual direct and indirect costs. Increased costs due to mandated additional activities.
16.023A (k) (1)	Special Tax Reports	\$ 72.00		\$ -	\$ 77.00		\$ -	\$ 5.00	-	\$ -	\$ -	This uniform rate is based upon cost accounting from the 2006/07 COWCAP.

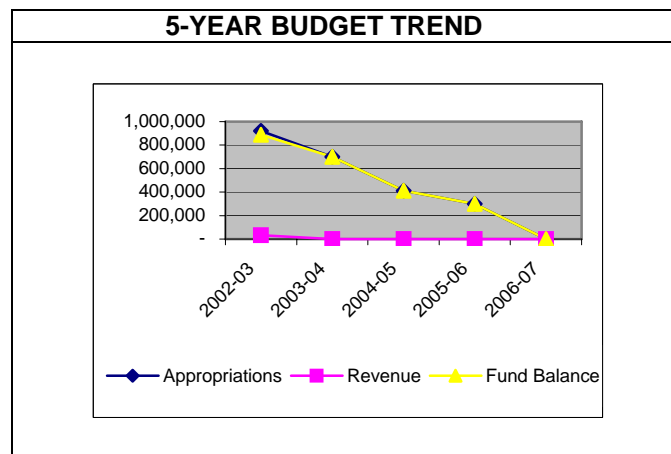
Micrographics

DESCRIPTION OF MAJOR SERVICES

The micrographics fund was established to defray the cost of converting the County Recorder's documents into an electronic storage system. In August 2001, the Board of Supervisors eliminated the fee that financed this fund. The fund has not received any revenue since that time and the Auditor/Controller-Recorder has been spending down the fund balance to close the fund at the end of fiscal year 2006. In anticipation of its closure and at the Board of Supervisors direction on January 31, 2006, the Auditor/Controller-Recorder transferred the balance of the fund into the Systems Development fund to continue supporting the Recorder's business operations. It is anticipated that no expenses will be recorded in this fund.

There is no staffing associated with this budget.

BUDGET HISTORY



PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	192,239	287,746	111,445	299,862	299,862
Departmental Revenue	-	-	-	-	-
Fund Balance				299,862	

ANALYSIS OF PROPOSED BUDGET

GROUP: Fiscal
 DEPARTMENT: Auditor/Controller-Recorder
 FUND: Micrographics

BUDGET UNIT: SDV REC
 FUNCTION: General
 ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
<u>Appropriation</u>							
Services and Supplies	64,293	130,099	111,445	10,802	299,862	-	(299,862)
Contingencies	-	-	-	-	-	-	-
Total Exp Authority	64,370	287,746	111,445	10,802	299,862	-	(299,862)
Reimbursements	-	-	-	-	-	-	-
Total Appropriation	64,370	287,746	111,445	10,802	299,862	-	(299,862)
Operating Transfers Out	127,869	-	-	289,060	-	-	-
Total Requirements	192,239	287,746	111,445	299,862	299,862	-	(299,862)
Fund Balance					299,862	-	(299,862)

Due to the Board approved elimination of the Micrographics fund, the fund will be closed at the end of 2005-06, there will not be any expenses recorded in the fund.

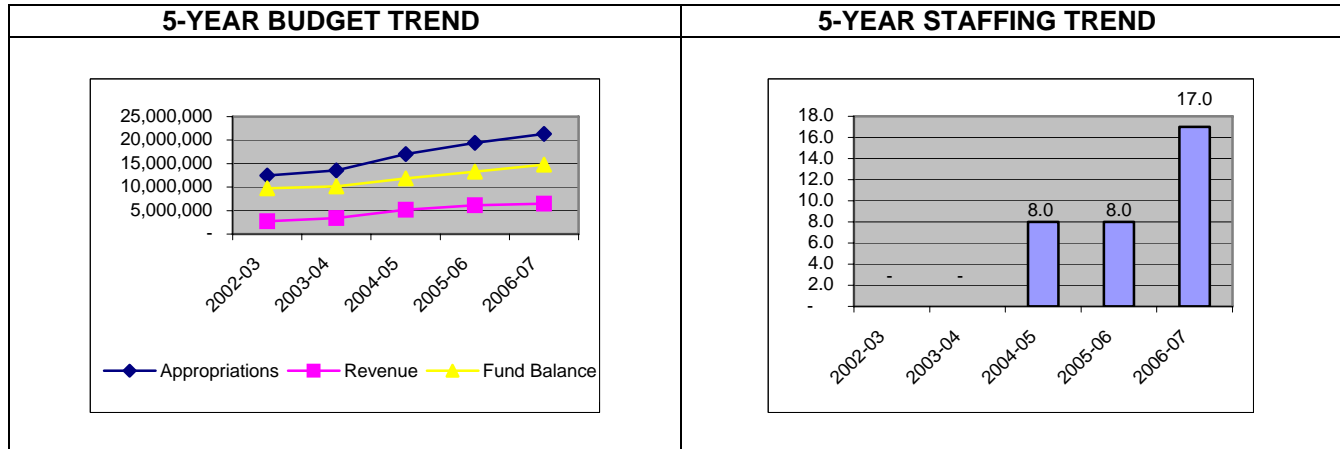


Systems Development

DESCRIPTION OF MAJOR SERVICES

The Systems Development fund was established to support, maintain, and improve the modernized creation, retention, and retrieval of information in the County's system of recorded documents. Revenue includes fees collected pursuant to Government Code Section 27361 on legal documents.

BUDGET HISTORY



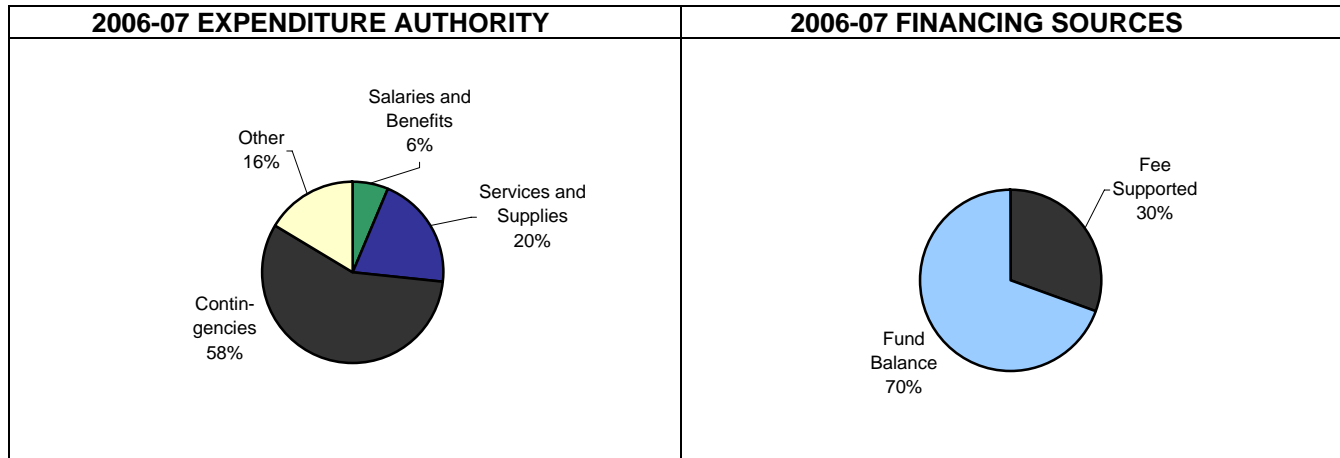
PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	3,615,341	3,840,061	4,857,991	19,708,565	4,895,875
Departmental Revenue	4,066,883	5,510,598	6,295,959	6,401,660	6,401,665
Fund Balance				13,306,905	
Budgeted Staffing				10.0	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. A significant portion of the appropriated fund balance is placed into contingencies, which makes the proposed budget amounts for 2005-06 appear much larger than the total actual expenditures.



ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal
DEPARTMENT: Auditor/Controller-Recorder
FUND: Systems Development

BUDGET UNIT: SDW REC
FUNCTION: General
ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	-	-	386,030	556,766	543,283	1,347,943	804,660
Services and Supplies	2,505,485	2,402,937	2,655,464	2,756,281	5,762,666	4,324,202	(1,438,464)
Central Computer	-	-	-	-	-	5,898	5,898
Land and Improvements	-	-	-	-	25,000	548,500	523,500
Equipment	622,727	320,379	721,633	393,393	2,850,000	1,242,000	(1,608,000)
Transfers	144,500	676,265	949,564	1,141,181	1,329,876	1,543,156	213,280
Contingencies	-	-	-	-	8,908,680	12,169,210	3,260,530
Total Appropriation	3,272,712	3,399,581	4,712,691	4,847,621	19,419,505	21,180,909	1,761,404
Operating Transfers Out	342,629	440,480	145,300	48,254	-	131,786	131,786
Total Requirements	3,615,341	3,840,061	4,857,991	4,895,875	19,419,505	21,312,695	1,893,190
Departmental Revenue							
Current Services	4,066,883	5,257,920	6,295,959	6,112,600	6,112,600	6,500,000	387,400
Other Revenue	-	252,678	-	5	-	-	-
Total Revenue	4,066,883	5,510,598	6,295,959	6,112,605	6,112,600	6,500,000	387,400
Operating Transfers In	-	-	-	289,060	-	-	-
Total Financing Sources	4,066,883	5,510,598	6,295,959	6,401,665	6,112,600	6,500,000	387,400
Fund Balance					13,306,905	14,812,695	1,505,790
Budgeted Staffing					8.0	17.0	9.0

Changes to salaries and benefits include the Board approved transfer (January 10, 2006) of 2.0 Business Systems Analyst III positions from the Information Service Department (ISD) to the Systems Development fund to support the Recorder's functions. Over the last several years, due to the rapid and continued increase in real estate-related activity, budgeted staffing was also adjusted to reflect the addition of 7.0 positions for the efficient operation, maintenance, and enhancement of the Recorder's systems. The positions were requested due to expansion of in-house services as well as a planned opening for a fourth office in another area of the county. The additional staff include the following 2.0 Legal Document Classifier II and 1.0 Legal Document Supervisor was hired to supervise the offices in the outlying areas; 2.0 Programmer Analyst III and one 1.0 Business Systems Analyst III were added to support the on-going technology conversion of these systems in keeping with the department's business plan and customer service initiatives; 1.0 Staff Analyst I was added to assist with



legislative research to ensure the Recorder complies with continually changing regulations. The overall budgeting staffing reflects an increase of 9.0 positions.

Services and supplies, was decreased by \$1,438,464 due to project delays and planning less expenditures. Data Processing Charges (an Internal Service Fund) of \$5,898 were charged to this fund for the first time, to pay for the mainframe support that ISD is providing for the Recorder's systems.

Structures and Improvements to Structures increased by \$523,500 due to two planned Capital Improvements Projects. One of the projects includes 50% participation in installing a security fence around the perimeter of the building at the recommendation of the Sheriff's Department, primarily to protect the employees and the information systems for the Recorder's office. The second project is the anticipated CIP to build out the remainder of the 2nd floor to house the Computer Services staff.

Equipment decreased by \$1,608,000 due to delayed plans for disaster recovery and less expenditures than expected. Intra-fund transfers out increased by \$213,280 due to moving a transfer transaction from Vital Records to Systems Development for staff and space use to provide expanded Recorder services at offices in outlying areas of the county. Another added expense was the increased amount of the transfer from Systems Development to the ACR's portion of the general fund to pay for the additional cost of staffing positions that support the Recorder's operations.

Contingencies also increased by \$3,260,530, due to fund balance not being spent in the prior year and less planned expenditures in 2005-06. Operating transfers out increased by \$131,786 to pay for one Business Applications Manager position located at the Treasurer-Tax Collector's office.

It is also anticipated that revenue will increase by \$387,400, although activity in the real estate industry appears to be slowing.

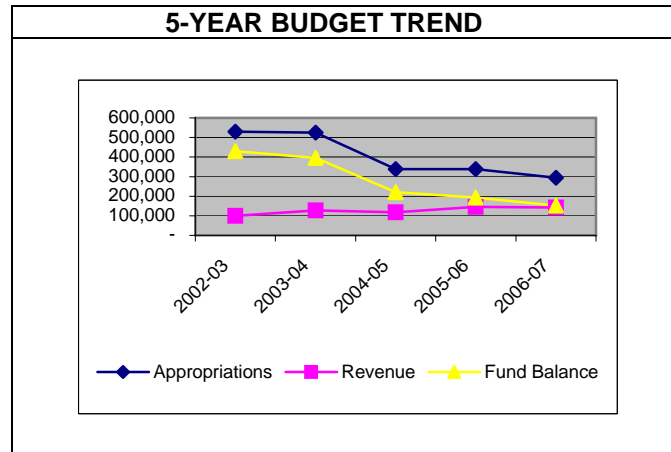
Vital Records

DESCRIPTION OF MAJOR SERVICES

The Vital Records fund was established to support vital records operations, including improvement and automation of vital record systems. Revenue includes fees collected for certified copies of vital statistic records, pursuant to Health and Safety Code Section 10605.3.

There is no staffing associated with this budget unit.

BUDGET HISTORY

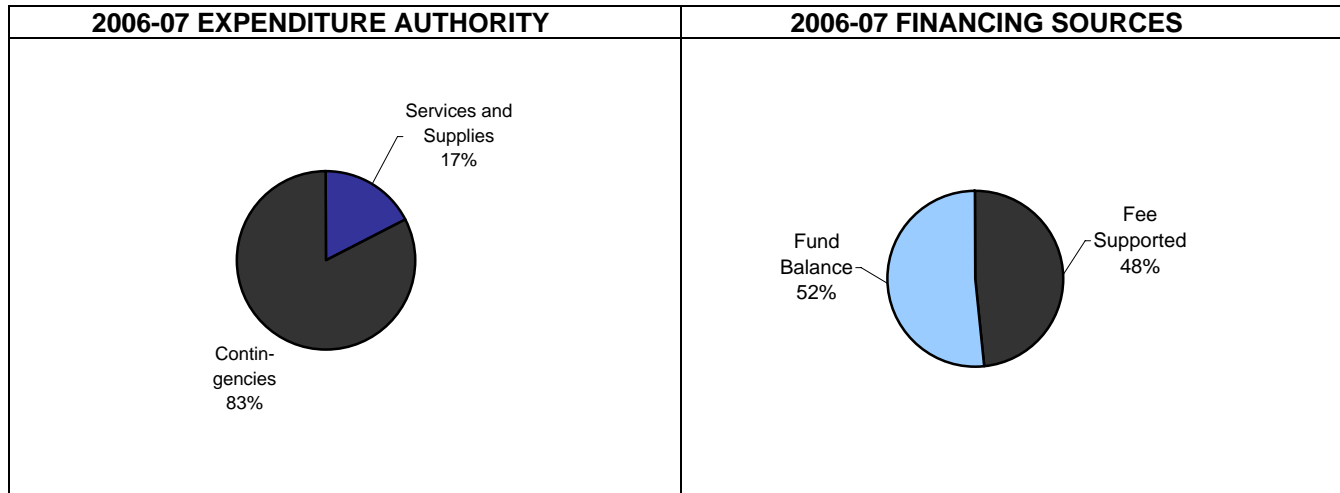


PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	165,032	306,969	175,183	338,652	182,302
Departmental Revenue	131,122	127,146	147,732	145,000	140,724
Fund Balance	33,910	179,823	27,451	193,652	41,578

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. The amount not expended is carried over to the subsequent year's budget.

ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal
DEPARTMENT: Auditor/Controller-Recorder
FUND: Vital Records

BUDGET UNIT: SDX REC
FUNCTION: General
ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
<u>Appropriation</u>							
Services and Supplies	165,032	139,270	175,183	41,170	121,134	51,150	(69,984)
Transfers	-	-	-	141,132	141,132	-	(141,132)
Contingencies	-	-	-	-	76,386	242,924	166,538
Total Exp Authority	165,032	139,270	175,183	182,302	338,652	294,074	(44,578)
Operating Transfers Out	-	167,699	-	-	-	-	-
Total Requirements	165,032	306,969	175,183	182,302	338,652	294,074	(44,578)
<u>Departmental Revenue</u>							
Current Services	131,122	121,308	147,732	140,724	145,000	142,000	(3,000)
Other Revenue	-	5,838	-	-	-	-	-
Total Revenue	131,122	127,146	147,732	140,724	145,000	142,000	(3,000)
Fund Balance					193,652	152,074	(41,578)

There is no staffing associated with this fund. Most of the proposed 2006-07 appropriations are in contingencies. In prior years, this fund helped support operations in the Recorder's satellite locations. However, because of the expansion of services of the satellite offices, it was determined that the Systems Development fund was a more appropriate source of support.

Appropriations in 2006-07 include funds for upgrading and maintaining the Vital Records electronic system as well as directly providing services to the general public.



Records Management

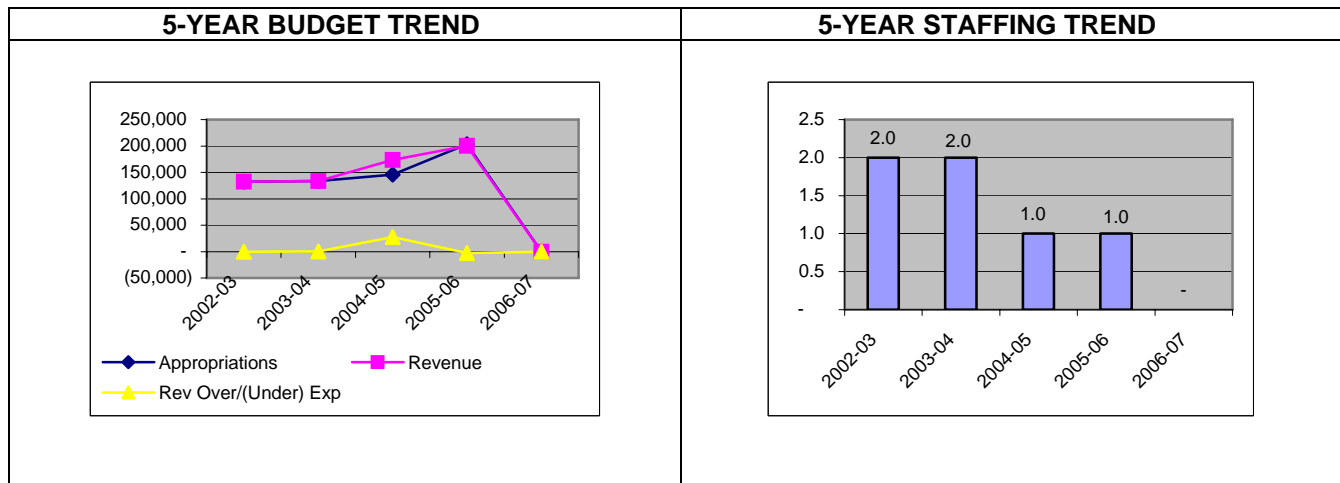
DESCRIPTION OF MAJOR SERVICES

Records Management has been responsible for storage of inactive records and their eventual destruction at County departments' directions in accordance with their County Board of Supervisors' approved records retention schedules. This division relocated inactive files from County departments into a central storage facility, where the files were maintained and made accessible to user departments upon request. The division also identified records eligible for destruction based on schedules established by the owning agency.

The Records Management budget operated as an Internal Service Fund (ISF). As an ISF, any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used as working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

At the direction of the County Administrative Office, the fund will be closed at the end of 2005-06. The revenue received from its various services is not enough to cover the expenses needed to operate. To continue operating, rates for the various services would have to be raised significantly. Records Management cannot be competitive with storage facilities outside of the county.

BUDGET HISTORY



PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	220,275	113,142	146,077	203,135	191,042
Departmental Revenue	118,331	138,378	188,094	200,240	227,436
Revenue Over/(Under) Exp	(101,944)	25,236	42,017	(2,895)	36,394
Budgeted Staffing				-	
Fixed Assets	-	-	-	-	-
Unrestricted Net Assets Available at Year End	46,157	(2,283)	68,294	-	

Records Management does not have enough revenue to run as a full-service records management operation; expenses have increased faster than revenue. Therefore, the Records Management fund will be closed at the end of 2005-06.



ANALYSIS OF PROPOSED BUDGET

GROUP: Fiscal
 DEPARTMENT: Auditor/Controller-Recorder
 FUND: Records Management

BUDGET UNIT: IRM ACR ACR
 FUNCTION: General
 ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
<u>Appropriation</u>							
Salaries and Benefits	45,491	86,888	52,125	55,193	56,966	-	(56,966)
Services and Supplies	174,784	81,438	93,570	135,646	145,966	-	(145,966)
Transfers	-	347	-	203	203	-	(203)
Total Exp Authority	220,275	168,673	145,695	191,042	203,135	-	(203,135)
Reimbursements	-	(55,531)	-	-	-	-	-
Total Appropriation	220,275	113,142	145,695	191,042	203,135	-	(203,135)
Operating Transfers Out	-	-	382	-	-	-	-
Total Requirements	220,275	113,142	146,077	191,042	203,135	-	(203,135)
<u>Departmental Revenue</u>							
State, Fed or Gov't Aid	(147)	-	-	-	-	-	-
Current Services	118,478	138,378	188,094	175,092	200,240	-	(200,240)
Residual Equity Transfers Ou	-	-	-	52,344	-	-	-
Total Revenue	118,331	138,378	188,094	227,436	200,240	-	(200,240)
Rev Over/(Under) Exp	(101,944)	25,236	42,017	36,394	(2,895)	-	2,895
Budgeted Staffing					1.0	-	(1.0)

The Internal Service Fund is going to be closed effective June 30, 2006. Any remaining fund balance will be transferred to an account with the County Administrative Office. As mentioned above, Records Management would not be able to continue operating without significantly raising rates for various services. The rates it would charge would not be competitive with outside storage facilities.



TREASURER-TAX COLLECTOR/PUBLIC ADMINISTRATOR

Dick Larsen

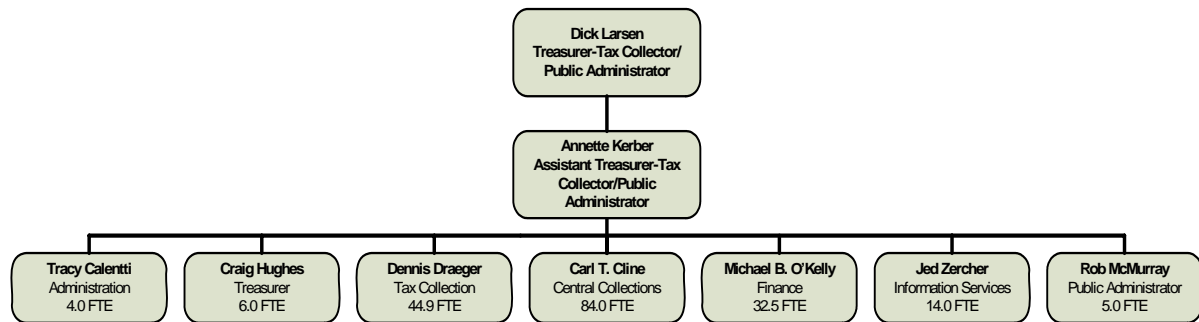
MISSION STATEMENT

The mission of the San Bernardino County Treasurer-Tax Collector/Public Administrator's office is to conduct County business in a fair, courteous and professional manner that is open and accessible to citizens, the business community, and other public agencies. This office will utilize current and evolving technology to enhance services and improve the reach of those services throughout the region. We will operate efficiently to deliver the highest quality services at the lowest possible cost to the taxpayers of San Bernardino County.

STRATEGIC GOALS

1. Manage the county treasury function in a safe, effective and efficient manner.
2. Collect property taxes in an effective manner with a focus on customer service.
3. Investigate and administer the estates of decedents with care and professionalism.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2006-07				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
Treasurer-Tax Collector/Public Administrator	19,856,362	13,020,462	6,835,900		199.4
Redemption Maintenance	219,159	62,679		156,480	-
Unified Property Tax System	131,786	131,786	-	-	-
TOTAL	20,207,307	13,214,927	6,835,900	156,480	199.4

Detailed information for each budget unit is provided, along with a description of the services provided, budget unit history, applicable performance measures, and policy item requests.



Treasurer-Tax Collector/Public Administrator

DESCRIPTION OF MAJOR SERVICES

The Treasurer-Tax Collector/Public Administrator is responsible for:

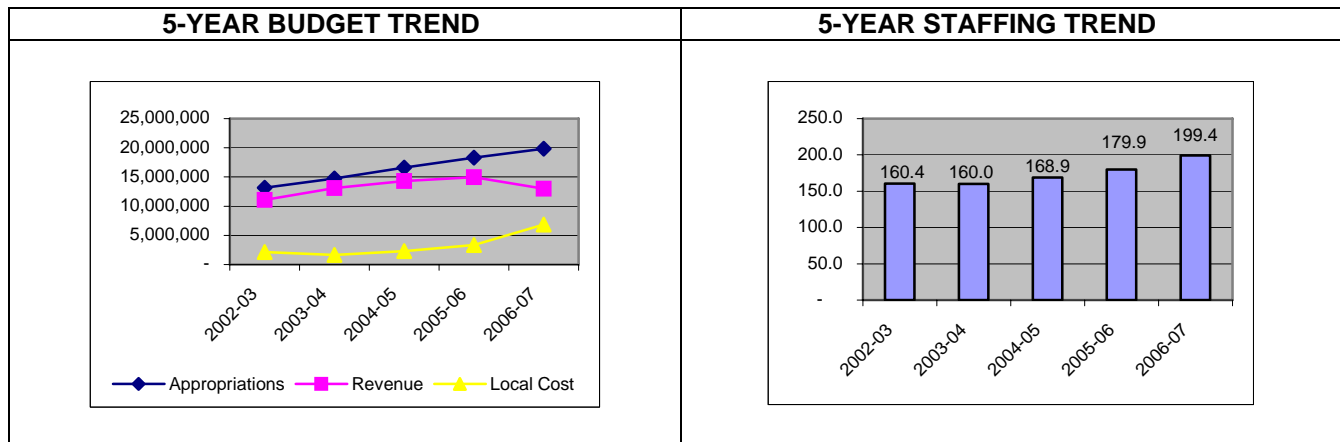
- Collecting of property taxes.
- Performing the county's treasury function.
- Providing a collection service for the county as well as to provide accounting and collections of court ordered payments.
- Administering property of persons who are deceased and no executor or administrator has been appointed.

The tax collection function involves the collection and accounting of property taxes for all county taxing entities that amounts to more than \$1.5 billion in property taxes, county licenses and other fees.

The Treasurer is also responsible for the investment of the county investment pool, which includes county funds and all school districts within the county, as well as providing banking services for these agencies. The Treasurer currently manages assets of almost \$3.5 billion.

The Treasurer-Tax Collector's Central Collections Division expects to collect more than \$38.0 million for the year ended June 30, 2006. The majority of these collections are from court-ordered fines and the Arrowhead Regional Medical Center's delinquent accounts receivable.

BUDGET HISTORY



PERFORMANCE HISTORY

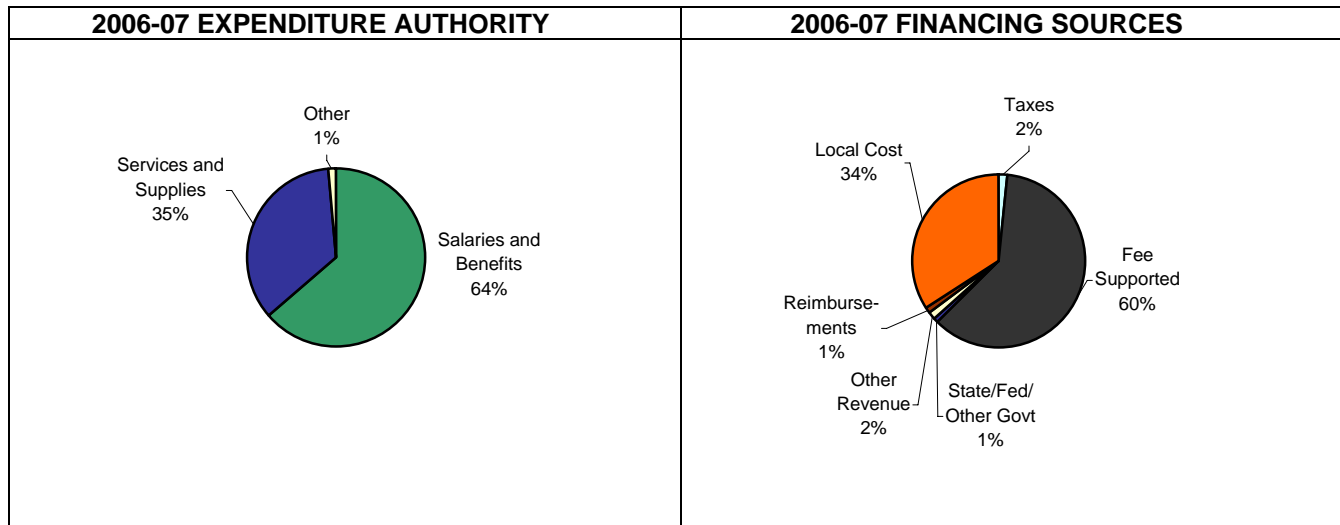
	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	12,259,298	13,457,617	15,314,987	19,166,630	16,849,329
Departmental Revenue	11,780,858	13,104,172	14,653,137	15,308,353	13,338,036
Local Cost	478,440	353,445	661,850	3,858,277	3,511,293
Budgeted Staffing				196.7	

Estimated expenditures for 2005-06 reflect a savings of \$2,317,301 as compared to the modified budget. The estimated savings are primarily the result of vacant positions and lower than expected services and supplies costs due to uncertainty with the collection of court accounts.

Estimated revenues for 2005-06 are \$1,970,317 lower than the modified budget due to a decrease in the number of tax defaulted properties available for tax sale and decreased cost reimbursements related to the uncertainty with the collection of court accounts.



ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal
 DEPARTMENT: Treasurer-Tax Collector/Public Administrator
 FUND: General

BUDGET UNIT: AAA TTC
 FUNCTION: General
 ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	6,896,779	8,111,751	8,986,573	9,949,070	11,214,538	12,786,491	1,571,953
Services and Supplies	4,491,863	4,455,098	4,623,989	4,821,741	5,249,538	5,180,079	(69,459)
Central Computer	670,656	707,960	937,397	1,807,205	1,737,182	1,808,616	71,434
Equipment	-	-	596,882	39,379	10,000	50,000	40,000
Transfers	341,780	785,691	170,146	231,934	231,934	250,335	18,401
Total Exp Authority	12,401,078	14,060,500	15,314,987	16,849,329	18,443,192	20,075,521	1,632,329
Reimbursements	(341,780)	(652,883)	-	-	(148,119)	(219,159)	(71,040)
Total Appropriation	12,059,298	13,407,617	15,314,987	16,849,329	18,295,073	19,856,362	1,561,289
Operating Transfers Out	200,000	50,000	-	-	-	-	-
Total Requirements	12,259,298	13,457,617	15,314,987	16,849,329	18,295,073	19,856,362	1,561,289
Departmental Revenue							
Taxes	248,120	266,890	394,470	349,000	337,640	349,000	11,360
Licenses and Permits	750	590	490	-	-	-	-
Fines and Forfeitures	55,087	53,039	48,512	34,465	47,000	35,000	(12,000)
Use Of Money and Prop	-	13,507	16,985	13,723	7,393	7,393	-
State, Fed or Gov't Aid	98,140	53,418	106,486	137,760	71,490	138,000	66,510
Current Services	9,335,976	10,849,842	11,958,773	10,636,341	12,067,207	12,190,283	123,076
Other Revenue	2,042,785	1,866,886	2,127,421	2,118,493	2,424,949	169,000	(2,255,949)
Other Financing Sources	-	-	-	48,254	-	-	-
Total Revenue	11,780,858	13,104,172	14,653,137	13,338,036	14,955,679	12,888,676	(2,067,003)
Operating Transfers In	-	-	-	-	-	131,786	131,786
Total Financing Sources	11,780,858	13,104,172	14,653,137	13,338,036	14,955,679	13,020,462	(1,935,217)
Local Cost	478,440	353,445	661,850	3,511,293	3,339,394	6,835,900	3,496,506
Budgeted Staffing					179.9	199.4	19.5

In 2006-07, the department will incur increased costs to maintain current services, such as negotiated labor agreements, retirement, risk management, central computer, equipment purchases, and a minor decrease in services and supplies costs. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to Board approved mid-year adjustments and department recommendations.

The proposed budget includes a reclassification of a Fiscal Specialist to a Supervising Office Assistant in the Tax Collector Division due to an increase in the level of supervisory and technical responsibility required. The department is also requesting the deletion of a vacant Office Assistant III and the addition of a Deputy Public Administrator in the Public Administrator Division as a means to improve the effectiveness and efficiency of the division.



The proposed budget contains significant costs, approved by the Board on March 21 2006, associated with the funding of a Tax Collector satellite office in Victorville which includes the addition of 16.0 support staff. These costs include salaries and benefits in the amount of \$898,074 and services and supplies in the amount of \$65,700. These increased costs require an additional \$963,774 in on-going general fund financing. The additional staff include the following: 1.0 Business System Analyst III, 1.0 System Support Analyst III, 1.0 Fiscal Specialist, 1.0 Fiscal Assistant, 4.0 Office Assistant III, 2.0 Office assistant II and 6.0 Contracted Office Assistant II positions. In addition, the Board approved on December 13, 2005 the addition of 1.0 Business Application Manager for the Unified Property Tax system. Budgeted staffing was also adjusted to reflect the addition of 1.0 Office Assistant III, 1.0 Accounting Technician and 0.5 extra help positions to support the Tax Collector excess proceeds.

Budgeted revenues for 2006-07 are \$1,935,217 less than the prior year's budget. The decrease is primarily the result of a change in accounting methodology related to the recording of revenues received as reimbursement for the management of the treasury pool. These revenues will be budgeted and received by the County Administrative Office as countywide discretionary revenue instead of the Treasurer-Tax Collector/Public Administrator. The decreased revenue in the Treasurer-Tax Collector/Public Administrator's general fund budget will be replaced by an additional \$2,219,195 in general fund financing.

PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
County Investment pool rating.		Moody's - Aaa, Standard and Poor's - AAAf, Fitch - AAA
Meet or exceed the average collection rate of comparable counties for secured property taxes.		> or = 97.6% secured property
Meet or exceed the average collection rate of comparable counties for unsecured property taxes.		> or = 94.9% unsecured
Increase in number of electronic property tax payments through E-check and credit card.		10% (5,000)
Decrease in the average amount of time necessary to close the investigation decedents.		3%
Decrease in the average amount of time necessary to close the administration of estates.		3%



POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
1.	Satellite Offices in Ontario and Morongo <p>The Ontario and Morongo satellite office policy item was not included in the additional funding insert of the business plan as the department originally included a Victorville satellite office that was subsequently approved as a mid-year board item. Although not included in the additional funding insert, the Treasurer-Tax Collector would like to continue to expand the availability of our services to the taxpayers of the county through funding from this policy item.</p> <p>As mentioned in the business plans the Treasurer-Tax Collector would like to open additional satellite offices in the Ontario and Morongo areas to provide better customer service to our taxpayers in these areas of the county. These two satellite offices will be staffed with a total of 8.0 supervisory and clerical staff who provide customer service (in person and over the phone), cashiering, research, and payment processing.</p> <p>Approval of this policy item will support the department's goal of providing greater customer service to the growing number of taxpayers in the low desert and west end areas of the county whose current travel time to our One-time start-up costs are estimated to be \$82,390 and on-going annual costs (including Salaries and Benefits) are estimated to be \$503,962.</p> <p>Projected one-time cost include the purchase of 2 color photocopiers for \$22,000; computers, fax machines, printers, scanners, and miscellaneous supplies for \$23,650; and office furniture and phones for \$36,740.</p> <p>Projected on-going costs include: An increase in salaries and benefits of \$402,394 for 4.0 positions in Ontario and 4.0 in Morongo. The classifications are as follows: 2.0 Supervising Office Assistant, 2.0 Office Assistant III and 4.0 Office Assistant II; An increase in services and supplies for phones and internet cost of \$9,600; office supplies of \$36,000; equipment maintenance of \$2,400 and rent of \$53,568.</p>	8.0	586,352	-	586,352	
	<i>Maintain average collection rate performance measures..</i>					
Total		<u>8.0</u>	<u>586,352</u>	<u>-</u>	<u>586,352</u>	



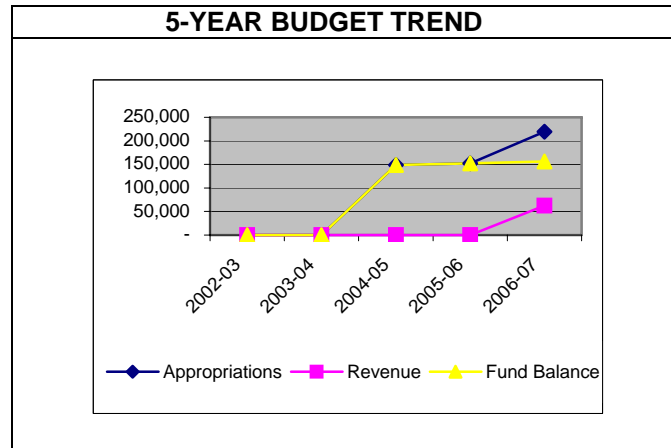
Redemption Maintenance

DESCRIPTION OF MAJOR SERVICES

The Redemption Maintenance special revenue fund was established to defray the costs of maintaining the redemption and tax-defaulted property files, and those costs of administering and processing the claims for excess tax sale proceeds. Revenue includes unclaimed excess tax sale proceeds pursuant to Revenue and Taxation Code 4674.

There is no staffing associated with this budget unit.

BUDGET HISTORY



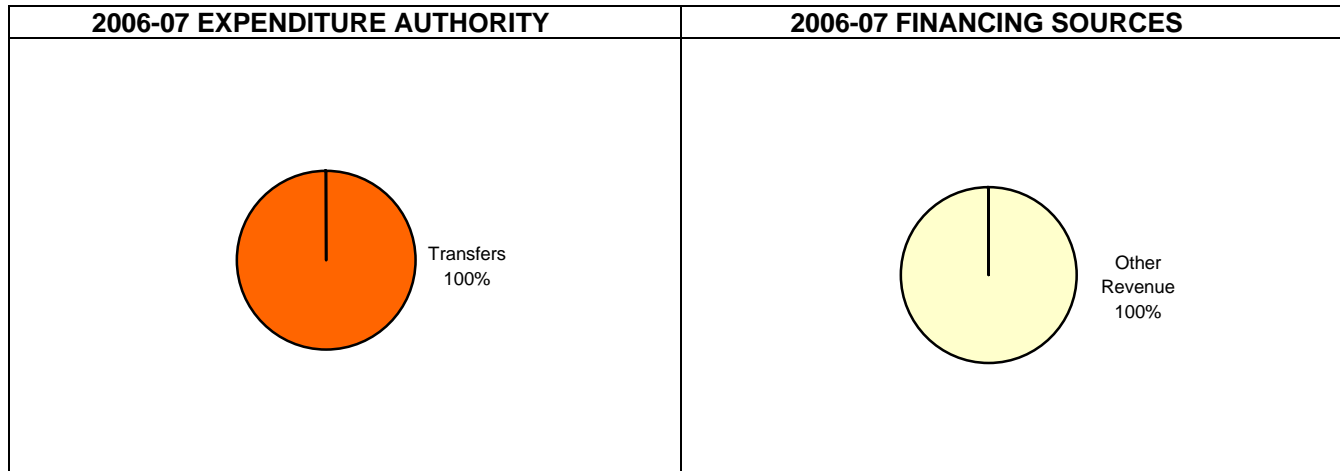
PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	-	-	-	151,960	-
Departmental Revenue	-	148,871	3,090	-	4,520
Fund Balance				151,960	

Pursuant to Section 29009 of the California Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual expenditures in this fund are typically less than budgeted. The amount not expended is carried over to the subsequent year's budget.

Estimated revenues for 2005-06 are \$4,520 greater than the modified budget due to interest revenue earned on fund balance.

ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal
 DEPARTMENT: Treasurer-Tax Collector/Public Administrator
 FUND: Redemption Maintenance

BUDGET UNIT: SDQ TTX
 FUNCTION: General
 ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
<u>Appropriation</u>							
Transfers	-	-	-	-	148,119	219,159	71,040
Contingencies	-	-	-	-	3,841	-	(3,841)
Total Appropriation	-	-	-	-	151,960	219,159	67,199
<u>Departmental Revenue</u>							
Use Of Money and Prop	-	-	3,090	4,520	-	2,679	2,679
Other Revenue	-	148,871	-	-	-	60,000	60,000
Total Revenue	-	148,871	3,090	4,520	-	62,679	62,679
Fund Balance	-				151,960	156,480	4,520

In 2006-07, the Redemption Maintenance special revenue fund will incur an increase in transfers for reimbursement to the Treasurer-Tax Collector/Public Administrator general fund for salaries and benefits and services and supplies related to the processing of excess tax sale proceeds claims. Increase in revenue is due to more interest earned than anticipated and additional excess tax proceeds being received. These costs are reflected in the Change From 2005-06 Final Budget column.



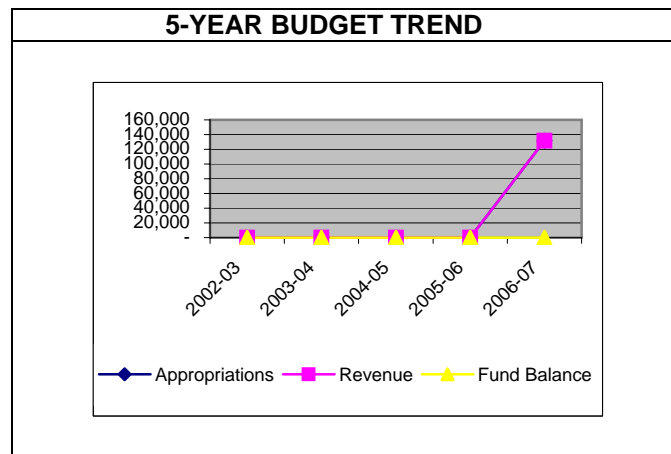
Unified Property Tax System

DESCRIPTION OF MAJOR SERVICES

The Unified Property Tax System special revenue fund was established and Board approved on December 13, 2005 to account for the design and implementation of the Unified Property Tax System.

There is no staffing associated with this budget unit.

BUDGET HISTORY



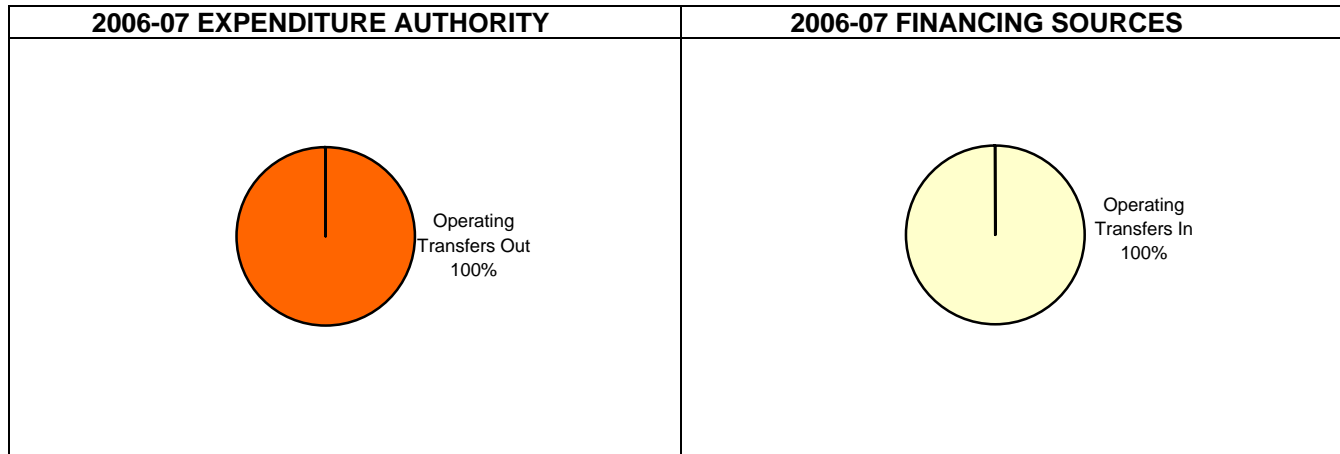
PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	-	-	-	61,074	48,254
Departmental Revenue	-	-	-	61,074	48,254
Fund Balance	-	-	-	-	-

Estimated expenditures for 2005-06 reflect a savings of \$12,820 as compared to the modified budget. The estimated savings are the result of lower than expected operating transfers out to the Treasurer-Tax Collector/Public Administrator due to the delayed hiring of the Business Applications Manager position. The Unified Property Tax System special revenue fund and new Business Applications Manager position in the Treasurer Tax Collector/Public Administrator budget unit were created and approved by the board on December 13, 2005.

Estimated revenues for 2005-06 are \$12,820 lower than the modified budget due to lower than expected operating transfers in, this is due to the delay in hiring the Business Applications Manager position mentioned above.

ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal
DEPARTMENT: Treasurer-Tax Collector/Public Administrator
FUND: Unified Property Tax System

BUDGET UNIT: SVA TTC
FUNCTION: General
ACTIVITY: Finance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
<u>Appropriation</u>							
Operating Transfers Out	-	-	-	48,254	-	131,786	131,786
Total Requirements	-	-	-	48,254	-	131,786	131,786
<u>Departmental Revenue</u>							
Operating Transfers In	-	-	-	48,254	-	131,786	131,786
Total Financing Sources	-	-	-	48,254	-	131,786	131,786
Fund Balance	-	-	-	-	-	-	-

In 2006-07, the Unified Property Tax System special revenue fund will incur increased costs in operating transfers in and out due to the full-year funding of the Business Applications Manager position, which is reimbursed from the Auditor/Controller-Recorder's Systems Development special revenue fund, and transferred out to the Treasurer Tax Collector/Public Administrator's general fund budget unit. These costs are reflected in the Change From 2005-06 Final Budget column.

